

DISTRICT ATTORNEY OF KINGS COUNTY
MUNICIPAL BUILDING
BROOKLYN, N.Y. 11201
(718) 250-2000



CHARLES J. HYNES
DISTRICT ATTORNEY

JULY 11, 1997

HONORABLE WALTER MCCAFFREY
COUNCILMAN 26th CD
2207 WOODSIDE AVENUE
WOODSIDE, N.Y. 11377

Walter
Dear Councilman McCaffrey:

Thank you for your request for my comments regarding Accounts of Convenience as authorized by Section 678 of the N.Y. State Banking Law.

Kings County is home to approximately 400,000 senior citizens many of whom become victims of various types of crimes. One such example is the unauthorized removal of funds from a joint bank account by the joint tenant. Under N.Y. State Banking Law Section 675, no criminal charges can be lodged against a joint tenant who removes funds from a joint account.

In July 1990, Section 678 of the Banking Law took effect. That section authorizes N.Y. State Banks to offer depositors an "Account for Convenience". This type of account is opened strictly for the convenience of the depositor. Title to the deposited funds always remains with the depositor.

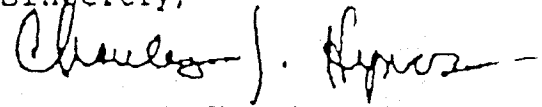
Under this circumstance, I believe that a criminal prosecution for larceny could be pursued if the other person were to withdraw the funds for his/her own use and not for the benefit of the depositor.

Several months ago, members of my staff contacted 14 of the largest Banks in the N.Y. City area to inquire if they offered an Account for Convenience. None did at that time. Persons answering the phones indicated that they had never heard of an Account for Convenience. Upon further inquiry of Banking officials, I was advised that Banks do not offer Accounts for Convenience because there is no demand for these types of accounts.

In order to determine what demand there may be for this type of account, members of my Office are working with a number of agencies, including the N.Y. Banking Association, the N.Y. State Bar Association as well as local elected officials, to convince Banks to offer this type of account at least on a trial basis.

I believe that this is a worthwhile endeavor and I appreciate your interest.

Sincerely,

A handwritten signature in dark ink, appearing to read "Charles J. Hynes", followed by a horizontal line.

CHARLES J. HYNES
DISTRICT ATTORNEY
KINGS COUNTY



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125-01 QUEENS BOULEVARD
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JUL 14 1997

DISTRICT OFFICE

Richard A. Brown
District Attorney

July 10, 1997

Hon. Walter L. McCaffrey
New York City Council
62-07 Woodside Avenue
Woodside, New York 11377

Dear Walter:

I want to thank you for your efforts to promote greater use of "Accounts for Convenience Only" by the banking public. Your survey highlights the serious underutilization of such accounts -- an underutilization that seriously impacts upon this office's ability to prosecute those who exploit others -- particularly the elderly -- for financial gain.

At the present time our efforts to prosecute financial exploiters who are joint tenants under our Banking Law are rendered virtually impossible because under the law a single estate is created vesting an equal interest in the account between the joint tenants. In addition, with the demise of one of the joint tenants, the right of survivorship vests the entire account in the survivor who is in most cases the exploiter. On the other hand, the use of "Accounts for Convenience Only" makes it possible for us to prosecute the exploiter since title to the proceeds of the account remains in the name of the depositor. In addition, there exists no right of survivorship thus preventing the exploiter from receiving the entire proceeds of the account.

I very much support your efforts to promote the use of "Accounts for Convenience Only" as a means for the banking public -- and particularly the elderly -- to protect their assets.

With every good wish and warm regards, I am

Sincerely,

Richard A. Brown
District Attorney

RAB:ajb